MONTANA LEGISLATIVE HISTORY

Chapter 590 19 91

Bill H 34 S _____ Original bill & history ✓ C

H. Committee on Taxation			S. Committee on Taxation		
Hearing Date(s)	1/8	✓ C	Hearing Date(s)	3/28	✓ C
		C			C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

HOUSE BILL NO. 34

INTRODUCED BY ERNST, LUND, D. BROWN, McLANE

IN THE HOUSE

January 6, 1981	Introduced and referred to Committee on Taxation.
	On motion by chief sponsor Representatives Brown and McLane were added as authors to the prefiled bill.
January 7, 1981	Fiscal note requested.
January 12, 1981	Fiscal note returned.
January 15, 1981	Committee recommend bill do pass as amended. Report adopted.
January 16, 1981	Bill printed and placed on members' desks.
January 17, 1981	Second reading, do pass.
January 19, 1981	Correctly engrossed. Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 20, 1981	Introduced and referred to Committee on Taxation.
April 1, 1981	Committee recommend bill be concurred in. Report adopted.
April 3, 1981	Second reading, concurred in.
April 6, 1981	Third reading, concurred in. Ayes, 47; Noes, 0.

IN THE HOUSE

April 7, 1981	Returned from Senate. Concurred in. Sent to enrolling.
April 9, 1981	Correctly enrolled.
April 10, 1981	Signed by Speaker.
April 11, 1981	Signed by President.
	Delivered to Governor.
April 17, 1981	Returned from Governor with recommended amendments.
April 21, 1981	Second reading, Governor's amendments concurred in.
	On motion rules suspended and Governor's amendments placed on third reading this day.
	Third reading, Governor's amendments concurred in. Ayes, 93; Noes, 3.

IN THE SENATE

April 22, 1981	Second reading, Governor's amendments concurred.
	On motion rules suspended. Governor's amendments placed on calendar for third reading this day.
	Third reading, Governor's amendments concurred in. Ayes, 47; Noes, 0.

IN THE HOUSE

April 23, 1981	Returned from Senate. Sent to enrolling.
	Reported correctly enrolled.

HOUSE BILL NO. 34

INTRODUCED BY ERNST/LUND

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE INCOME LIMITATIONS APPLICABLE TO PROPERTY TAX EXEMPTION FOR 100% DISABLED VETERANS; AMENDING SECTION 15-6-211, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-6-211, MCA, is amended to read:

"15-6-211. Certain disabled veterans' residences exempt. (1) A residence, including the lot on which it is built, owned and occupied by a disabled veteran is exempt from property taxation under the following conditions. The owner must:

(a) have been honorably discharged from active service in any branch of the armed services;

(b) be rated 100% disabled due to a service-connected disability by the United States veterans administration or its successor; and

(c) have an annual adjusted gross income, ~~from all sources~~ as reported on the latest federal income tax return, of not more than ~~$7,000~~ $15,000 for a single person and ~~$8,000~~ $18,000 for a married couple.

(2) If a veteran whose property has been eligible for this exemption dies, the property shall continue to be exempt so long as the surviving spouse:

(a) remains unmarried;

(b) is the owner and occupant of the house; and

(c) has a ~~total~~ an annual adjusted gross income, ~~from all sources~~ as reported on the latest federal income tax return, of not more than ~~$7,000~~ $15,000."

Section 2. Retroactive applicability. The provisions of 15-6-211 are applicable for taxable years beginning after December 31, 1978.

-End-

INTRODUCED BILL

HB34

RETURNED TO HOUSE: 1/24
TRANSMITTED TO GOVERNOR: 1/27
ACTION: SIGNED, 1/29
CHAPTER 1

HB 33--AZZARA, DOVER, FABREGA, ET AL--TO PROVIDE FOR MUNICIPAL ANNEXATION OF HIGH-DENSITY LAND UNDER CERTAIN CONDITIONS.
PREFILED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 12/30/80
HEARING: 2/3
REPORT: DO PASS AS AMENDED, 2/9
2ND READING: 2/11, YEAS: 66; NAYS: 29
3RD READING: 2/13, YEAS: 68; NAYS: 27

TRANSMITTED TO SENATE: 2/13
REFERRED TO COMMITTEE ON LOCAL GOVERNMENT: 2/14
HEARING: 3/24
REPORT: 3/26, BE CONCURRED IN, AS AMENDED
2ND READING: 3/31, AS AMENDED--YEAS: 41; NAYS: 6
ON MOTION, 3/31, RULES SUSPENDED, PLACED ON 3RD READING
3RD READING: 3/31, YEAS: 39; NAYS: 11

RETURNED TO HOUSE WITH AMENDMENTS: 3/31
2ND READING: 4/8, BE NOT CONCURRED IN
YEAS: 73; NAYS: 13
REFERRED TO CONFERENCE COMMITTEE: 4/9
ON MOTION, 4/14, CONFERENCE COMMITTEE DISSOLVED AND REFERRED TO A NEW CONFERENCE COMMITTEE.
ON MOTION, 4/21, 2ND JOINT CONFERENCE COMMITTEE DISSOLVED.
ON MOTION, 4/21, RULES SUSPENDED TO ALLOW THE HOUSE TO RECONSIDER ITS ACTION OF NOT ADOPTING THE SENATE AMENDMENTS.

SENATE AMENDMENTS
2ND READING: 4/22, BE NOT CONCURRED IN MOTION,
YEAS: 81; NAYS: 1
BILL DIED; SENATE AMENDMENTS REJECTED

HB 34--ERNST, LUND, BROWN, MC LANE--TO REVISE THE INCOME LIMITATIONS APPLICABLE TO PROPERTY TAX EXEMPTION FOR 100% DISABLED VETERANS.
FISCAL NOTE: REQUIRED
PREFILED AND REFERRED TO COMMITTEE ON TAXATION: 12/30/80
HEARING: 1/8
REPORT: DO PASS AS AMENDED, 1/15
2ND READING: 1/17, YEAS: 88; NAYS: 0
3RD READING: 1/19, YEAS: 95; NAYS: 0

TRANSMITTED TO SENATE: 1/19
REFERRED TO COMMITTEE ON TAXATION: 1/20
HEARING: 3/28
REPORT: 4/1, BE CONCURRED IN
2ND READING: 4/3, BE CONCURRED IN
3RD READING: 4/6, YEAS: 47; NAYS: 0

RETURNED TO HOUSE: 4/6
TRANSMITTED TO GOVERNOR: 4/11
ACTION: RETURNED WITH AMENDMENTS, 4/17

GOVERNOR'S AMENDMENTS
HOUSE 2ND READING: 4/21, YEAS: 81; NAYS: 1
ON MOTION, 4/21, RULES SUSPENDED, PLACED ON 3RD READING
HOUSE 3RD READING: 4/21, YEAS: 93; NAYS: 3

SENATE 2ND READING: 4/22, BE CONCURRED IN
ON MOTION, 4/22, RULES SUSPENDED, PLACED ON 3RD READING
SENATE 3RD READING: 4/22, YEAS: 47; NAYS: 0

TRANSMITTED TO GOVERNOR: 4/23
ACTION: 5/1, SIGNED
CHAPTER 590

35--DONALDSON--TO RAISE THE GENERAL BONDS PAYMENT PAID TO EXPANDED SCHOOL DISTRICTS.
FISCAL NOTE: REQUIRED
PREFILED AND REFERRED TO COMMITTEE ON EDUCATION: 12/30/80
HEARING: 1/9
REPORT: DO PASS AND PLACE ON CONSENT CALENDAR: 1/9
3RD READING: 1/12 YEAS: 99; NAYS: 0

TRANSMITTED TO SENATE: 1/12
REFERRED TO COMMITTEE ON EDUCATION: 1/13
HEARING: 3/16
REPORT: 3/17, BE CONCURRED IN
2ND READING: 3/19, BE CONCURRED IN
3RD READING: 3/21, YEAS: 48; NAYS: 0

RETURNED TO HOUSE: 3/21
TRANSMITTED TO GOVERNOR: 3/26
ACTION: SIGNED, 3/31
CHAPTER 205

36--BRAND, HANSON, MANNING--TO PROVIDE FOR TAXATION AS CLASS ELEVEN PROPERTY OF CERTAIN ELECTRIC TRANSMISSION AND DISTRIBUTION PROPERTY....
FISCAL NOTE: REQUIRED
PREFILED AND REFERRED TO COMMITTEE ON TAXATION: 12/31/80
HEARING: 1/21
REPORT: DO PASS AS AMENDED, 1/27
2ND READING: 1/29, YEAS: 87; NAYS: 5
3RD READING: 2/2, YEAS: 93; NAYS: 5

TRANSMITTED TO SENATE: 2/2
REFERRED TO COMMITTEE ON TAXATION: 2/3
HEARING: 3/4
REPORT: 3/25, BE CONCURRED IN, AS AMENDED
2ND READING: 3/27, BE CONCURRED IN
3RD READING: 3/30, YEAS: 49; NAYS: 0

RETURNED TO HOUSE WITH AMENDMENTS: 3/30
2ND READING: 4/8, YEAS: 87; NAYS: 0
3RD READING: 4/9, YEAS: 97; NAYS: 0

TRANSMITTED TO GOVERNOR: 4/16
ACTION: SIGNED, 4/21
CHAPTER 478

7--BRAND--ABOLISHING THE OFFICE OF THE LEGISLATIVE FISCAL ALYST....
FISCAL NOTE: REQUIRED
PREFILED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION: 12/31/80

MINUTES OF THE HOUSE TAXATION COMMITTEE MEETING
January 8, 1981

VICE CHAIRMAN SIVERTSEN called the meeting of the Taxation Committee to order at 9:00 a.m. on January 8, 1981 in Room 102 of the State Capitol. The roll call was taken and all members were present. Chairman Nordtvedt was temporarily detained, but arrived later in the meeting.

Each Committee member received a copy of a publication entitled "Montana Property Tax Mill Levies 1980-81", courtesy of the Montana Taxpayers Association. VICE CHAIRMAN SIVERTSEN announced that House Bills 47, 34 and 17 would be heard.

HOUSE BILL 47: Rep. Joe Quilici, sponsor of the bill, explained that this bill would repeal Section 61-10-208 of the MCA's. The fee on campers and travel trailers was misinterpreted by some counties and fees were assessed using the codes directed at house trailers. The latter codes assessed the fee on a per foot basis and were only meant to apply to trailers longer than 32 feet. This bill would clarify the intent of the law. There were no further proponents.

There were no OPPONENTS to HB 47. Questions followed. It was confirmed by Rep. Quilici that a number of counties had misinterpreted the law concerning this matter. The hearing was then closed.

HOUSE BILL 34: Rep. Ernst, the sponsor of this bill, stated that HB 34 proposes to change the income requirements for tax exemption from property taxes for 100% Disabled Veterans and it provides for a retroactive applicability. Prior to 1979 disability benefits were not included in the income figures upon which the exemption was based. This bill would restore the previous wording to the codes and thus help reaffirm the original intent of the legislation.

Fred J. MacKintosh, Disabled American Veterans, expressed his approval of the bill, but proposed that Subsection C be stricken; see prepared statement. Gerald McIntyre, also a member of Disabled American Veterans, commended the sponsors of HB 34 and expressed his approval of it, but concurred with Mr. MacKintosh's suggestion that Subsection C be stricken. He pointed out that there had been no income restrictions when the bill was enacted, and the legislation had been meant to be an honorarium to service connected 100% disabled veterans. Striking of Subsection C in his opinion would restore the original intent to the bill.

John Sloan, also from the D. A. V., spoke in favor of the bill, but also preferred that Subsection C be stricken, pointing out that the people involved were service-connected disabled veterans, and not veterans on pensions. Frank Lewis, Missoula D. A. V., also spoke up in favor of the bill (see attached statement).

There were no OPPONENTS to HB 34. Questions followed. Representative Williams requested that a Fiscal Note be prepared to HB 34. There were no objections. Chairman Nordtvedt will order one. Rep. Underdal wanted to know how many people were affected by this bill and it was estimated by Mr. Sloan that there were less than 800. Rep. Brand inquired as to how many people would have incomes greater than the limitations in the bill. Mr. Sloan replied that it was

difficult to determine the actual number, because no employment statistics are kept on 100% Disabled Veterans. Dr. L. W. Edens commented that setting income limitations was an example of the erosion of Veteran's rights which is going on both on the Federal and the State level, and that this needed to be put to a halt. The hearing was then closed. It was announced that executive action would be taken on HB 34 at the January 9, 1981 Taxation Committee meeting.

Vice Chairman Sivertsen then took the opportunity to introduce Dennis Burr representing the Montana Taxpayers Association and the Department of Revenue; Larry Weinberg, Department of Revenue; and Ellen Feaver, the new Director of Department of Revenue. Ms. Feaver then passed out a new listing of the legislation which the Department of Revenue was considering, along with draft copies of each bill. She gave a brief description of the bills which were still in need of sponsors. Any Committee member interested in sponsoring a bill on behalf of the Department was asked to contact Larry Weinberg or Ellen Feaver. Vice Chairman Sivertsen encouraged the Committee members, and espeically those that were Freshman Legislators, to consider sponsoring the bills. Ms. Feaver was wished well in her tenure as the Director of the Department of Revenue.

HB 17 was then heard. Rep. Nordtvedt, the sponsor, explained that there was an inequity between the interest rates taxpayers were required to pay on late tax returns and what the State paid on refunds for overpayment. This bill changes the State's interest payment from 6% to 9%, so that both the State and the Taxpayer pay the same rate of 9%. The Interim Revenue Oversight Committee was unamiously in favor of this bill. There were no further proponents.

There were no OPPONENTS to HB 17. Questions from the Committee followed. Rep. Nordtvedt agreed to see that a Fiscal Note was drawn up for HB 17. In closing, Rep. Nordtvedt added that HB 17 did not address the issue of grace periods; it simply clears up an inequity in interest rates.

Vice Chairman Sivertsen then relinquished control of the meeting to Chairman Nordtvedt, who proceeded to entertain input from the Committee members concerning minimum filing requirements for State Income tax returns. When the trigger mechanism for the State surplus raised the personal exemption level on income taxes, the minimum filing requirements were not changed, and the law still reads that one must file a return based on the $800 income figure rather than on $1,250. He suggested that the Committee might send a letter to the Department of Revenue to request that news releases be circulated informing the public of the higher minimum income requirement. Rep. Sivertsen moved that this be done and Rep. Asay seconded the motion. Rep. Williams wondered if this shouldn't be an action of the Committee of the Whole. Rep. Bertelsen brought up the possibility of a bill having to be drafted. Rep. Sivertsen then withdrew his motion and Chairman Nordtvedt agreed to confer with the House Speaker on the matter. Rep. Sivertsen said that the Revenue Oversight Committee might be able to take care of the matter, and that he would bring it up at the forthcoming meeting of that Committee, at noon (Jan.8). He invited any interested committee members to attend the meeting.

All of the Committee members agreed that they wanted the Fiscal Note for HB 34 to reflect estimated costs both with and without the proposed changes in Section 1, Subsections (1) (C) and (2) (C).

The meeting was adjoured at 9:50 a.m.

REP. KEN NORDTVEDT, Chairman

da

NAME FRANK LEWIS Bill No. 34

ADDRESS 3312 PARK ST, MISSOULA MT DATE 1/8/81

WHOM DO YOU REPRESENT D.A.V.

SUPPORT _____ OPPOSE _____ AMEND ✓

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I feel that section C dealing with limits of income should be deleted. There are some D.A.V.'s who have an income larger than this and it would be unfair to them. Many women earn an excess of 18,000.00 per year. (Mine earns less than ~~3~~ that amount)

I believe this tax exemption should be for all 100% rated disabled Vets.

Frank Lewis

Sr. Vice Cmdr, Dept of Mont. 1/8/81 TAX.

NAME MacKintosh, Fred J. Bill No. HB-34

ADDRESS 6390 Birdseye Road, Helena, MT. DATE

WHOM DO YOU REPRESENT Disabled American Veterans / Military Order of the Purple Heart

SUPPORT L OPPOSE AMEND Deletion on Subsection "C"

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We, As Members Of The Disabled American Veterans Approve of your House Bill #34 Only, With The Deletion Of Subsection # "C", (Lines #21 Through & Including #24)-

We Do Not See, Nor Understand Why We Should Be Penalized and/or Discriminated Against Due To Our Wife's Wanting To Assist Us In Gaining Employment Along With Their Many Duties At Home.

This Original Law Was Enacted By The 42nd Session of The Legislation Assembly On The 15th of March 1971 and At The Same Time No Maximum Total Income or Property Value On What We Own Prior To Our Rating Of 100% When We Worked, Shouldn't We Too, Have The Right Of Trying To Better Ourselves. Truly, You Know That We Did Not Want or Tried To Be Injured or Wounded.

This Bill Was To Honor Those Veterans With Honorable Those Veterans With Honorable Service & Have Been Determined 100% Service Connected

So, Please Delete Only Previous Section "C" As Stated.

The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

Ken Nordtvedt
118 Sourdough Ridge
Bozeman, MT 59715

Committees:
Taxation, Chairman
Natural Resources

Dear Mr. Speaker:

The House Taxation Committee would like to request that a fiscal note be prepared on the following bill(s):
HOUSE BILLS 17 and 34.

The House Taxation Committee would further like to request that in considering the fiscal note, the following considerations be taken into account:
Please prepare figures for HB 34 reflecting estimated costs both with and without the proposed changes in Section 1, Subsections (1)(C) and (2)(C).

Ken Nordtvedt, Chairman

1/8/81
Date

STANDING COMMITTEE REPORT

January 15 1981

MR. SPEAKER:

We, your committee on TAXATION

having had under consideration House Bill No. 34

A BILL FOR AN ACT ENTITLED: 'AN ACT TO REVISE THE INCOME LIMITATIO APPLICABLE TO PROPERTY TAX EXEMPTION FOR 100% DISABLED VETERANS; AMENDING SECTION 15-6-211, MCA; AND PROVIDING A RETROACTIVE APPLICAB DATE.'

Respectfully report as follows: That House Bill No. 34, introduced (white), be amended as follows:

1. Title, line 7.
   Following: "PROVIDING"
   Strike: "A RETROACTIVE"
   Insert: "AN"

2. Page 2, line 6.
   Following: "2."
   Strike: "Retroactive applicability"
   Insert: "Applicability"

3. Page 2, line 10.
   Following: "31,"
   Strike: "1978"
   Insert: "1980"

AS AMENDED
DO PASS

Rep. Ken Nordtvedt, Chairman.

STATE PUB. CO.
Helena, Mont.

SENATE Taxation COMMITTEE

BILL 34 VISITORS' REGISTER DATE 3/28/81

Please note bill no.

NAME	REPRESENTING	BILL #	(check one) SUPPORT	OPPOSE
Fred J. MacKintosh	Dept of Mont. D.A.V.	#34	Yes	
Herb Ballou	" " "	34	Yes	
Harrison J. Halliwell	"	"	"	"
[illegible]	"	"	"	"
[illegible]	"	"	"	
Bob Durkee	Helena VFW	34	X	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

March 28, 1981

The 59th meeting of the committee was called to order at 8:00 a.m. in Room 415 of the State Capitol Building, Chairman Pat Goodover presiding.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 34:

"AN ACT TO REVISE THE INCOME LIMITATIONS APPLICABLE TO PROPERTY TAX EXEMPTION FOR 100% DISABLED VETERANS; AMENDING SECTION 15-6-211, MCA; AND PROVIDING AN APPLICABILITY DATE."

Representative Ernst, District 47, said the bill would restore to 100% disabled veterans a property tax credit on their residence of $15,000 for a single person and $18,000 for a married couple. Rep. Ernst urged the committee to give favorable consideration to this honorarium for the veteran.

PROPONENTS:

Bob Durkee, Veterans of Foreign Wars and the American Legion; John Sloan, Disabled American Veterans National Service Officer, Fort Harrison, Mont.; Fred J. MacKintosh, Senior Vice-commander of Montana DAV; Sen. Pat Ryan, District 9, Great Falls; and Bob Rasmussen, 100% disabled veteran.

There were no opponents so questions were called from the committee.

ELLIOTT: Haven't we had a bill similar to this that passed through earlier?

DURKEE: Senate Bill 102 directed itself to the elderly. Another House Bill, 160, was in the taxation committee but didn't leave the committee. This is the only vehicle left.

ECK: SB 102 provides some relief for all veterans. It includes the disabled payments as part of the income. I don't think there is a conflict.

TOWE: Do you recall what SB 102 did?

DURKEE: It increased maximum earnings.

MCCALLUM: How many 100% disabled veterans are there in Montana?

DURKEE: About 500.

GOODOVER: What's the difference in 102 limiting to $12,000 per single and $15,000 for a married couple? This calls for $15,000 and $18,000--what's the difference?

JOHN CLARK: I'm not sure but that the disability benefit was struck out of 102. I think you have to look at HB 34 by itself.

ERNST: This is the 100% disabled veteran. They have had this honorarium; the 1979 legislature removed that. It covers a small number of persons. If their wife is working, or they have income from stocks and bonds, they would pay the regular tax.

The chairman requested the latest draft on SB 102 so that we could see what they are doing.

ECK: The problem with amending 102 is that there is a limit on the valuation of the dwelling at $35,000. That probably is not realistic either.

The hearing was closed on House Bill 34.

DISPOSITION OF SENATE BILL 356:

Sen. S. Brown made a motion that SB 356 be given a DO PASS. Sen. Crippen made a substitute motion that the 5% figure in the bill be changed to 3%. A roll call vote on Sen. Crippen's motion passed by 9-5. A motion was made that SB 356 be given a DO PASS, as amended. The motion carried by a 9-5 margin.

DISPOSITION OF HOUSE BILL 474:

TOWE: This is a building incentive bill that decreases valuation for a period after remodeling. It would phase in the valuation increase over a 5-year period. In order to grant the benefit the governing board must approve the resolution of the schedule. The effect would be to decrease revenues. It might encourage remodeling.

ECK: It really doesn't decrease local revenues.

TOWE: This would apply in non-incremental revenue districts.

MCCALLUM: I will move that HB 474 be laid on the table.

The motion carried by a 9-5 vote.

DISPOSITION OF HOUSE BILL 541:

TOWE: This is an act to provide a graduated tax for Class 4 property based on the income of the owner.

S. BROWN: Sen. Regan's bill also addresses that, doesn't it?

ECK: I think we should table this one.